



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.bpu.state.nj.us

TELECOMMUNICATIONS

IN THE MATTER OF THE AMENDED PETITION OF)
AMERICAN NETWORK SERVICES, INC. FOR)
APPROVAL TO PROVIDE LOCAL EXCHANGE)
TELECOMMUNICATIONS SERVICES THROUGHOUT)
THE STATE OF NEW JERSEY)

ORDER

DOCKET NO. TE03060434

(SERVICE LIST ATTACHED)

BY THE BOARD:

Pursuant to N.J.S.A. 48:2-1 et seq. and Section 253 of the federal Telecommunications Act of 1996, 47 U.S.C. §151 et seq., and by letter dated June 2, 2003, American Network Services, Inc. ("Petitioner" or "ANS") filed a Petition with the New Jersey Board of Public Utilities ("Board") requesting authority to provide non-facilities-based competitive local exchange telecommunications services throughout the State of New Jersey. Pursuant to the Open Public Records Act N.J.S.A. 47:1A-1 et seq., Petitioner has submitted its financial information under seal and has included a sworn affidavit with substantiation for confidential treatment in order to limit the availability of proprietary information.

ANS is a privately held corporation organized under the laws of the State of New York. Petitioner's principal offices are located at 59 South Terrace Avenue, Mount Vernon, NY 10550.

Petitioner has submitted copies of its Certificate of Incorporation from the State of New York and its New Jersey Certificate of Authority to Operate as a Foreign Corporation. According to the Petition, ANS was formed to provide non-facilities-based competitive local exchange telecommunications services throughout New Jersey. Petitioner states that it currently provides resold interexchange telecommunications services in the State of New Jersey. Petitioner further states that it also provides telecommunications service in the State of New York. Petitioner states that although it does not intend to offer services in the rural areas, to the extent any Incumbent Local Exchange Carrier ("ILEC") or Competitive Local Exchange Carrier ("CLEC") in New Jersey is granted a small or rural carrier exemption pursuant to §251(f) of the Federal Telecommunications Act of 1996 in the future, then ANS will seek authority to operate in such service area(s) as well. Petitioner states that it has filed a Reseller Acknowledgement Form with Verizon Communications for authority to provide resold long distance service. The Petitioner states that it has not been denied authority to provide telecommunications services in any jurisdiction, its authority has not been revoked in any state, nor has it ever been the subject of any civil or criminal proceeding.

In its Petition, the Company seeks authority to provide non-facilities-based competitive local exchange telecommunications services to both residential and business customers throughout the State of New Jersey. Petitioner states that initially it intends to provide competitive local exchange telecommunications services to New Jersey consumers in New Jersey's ILEC territories. Petitioner also states that it will utilize resold network elements provided by ILECs that it might determine are necessary or economically prudent in furtherance of its telecommunications business. Petitioner states that it intends to subscribe to and resell all forms of telephone service in the State of New Jersey including: local dial tone, message telephone, wide area telephone ("WAT"), WAT-like, foreign exchange, private lines, tie lines, access, cellular, local switched, business measured single line, private branch exchange trunks, direct inward dialing, measured and flat rate residential, access to telecommunications relay, universal lifeline and other services and facilities of communications common carriers and other entities. Petitioner further states that provision of intra local access and transport area and inter local access and transport area message toll calling, operator services, directory assistance, directory listings and emergency services like (911 and E911) will be furnished on Petitioner's behalf by the ILECs with whom Petitioner intends to establish contracts. Petitioner states that its services will be available on full-time basis, 24 hours a day, seven days a week. Petitioner states that it will file a tariff for Board approval. The Petitioner states that it is in the process of obtaining a toll-free number for its customer service inquiries.

Petitioner requests a waiver of N.J.S.A. 48:3-7.8 and N.J.A.C. 14:1-4.3 which require that books and records be kept within the State of New Jersey and be maintained in accordance with the Uniform System of Accounts ("USOA"), respectively. In the interest of efficiency and to prevent undue burden, Petitioner requests permission to maintain its books and records in accordance with Generally Accepted Accounting Principles and to keep all books, records, documents and other writings incident to the conduct of Petitioner's business in the State of New Jersey at Petitioner's corporate offices in Mount Vernon, New York. Petitioner also states, upon written notice from the Board and/or Board Staff, it will provide its books and records at such time and place within New Jersey as the Board may designate and will pay any reasonable expenses for examination of the records.

Petitioner asserts that approval of its Petition will further the public interest by expanding the availability of competitive telecommunications services in the State of New Jersey. Petitioner also asserts that approval of this Petition will provide New Jersey customers with access to new technologies and service choices and will permit customers to achieve increased efficiencies and cost savings.

With regard to its technical and managerial qualifications, ANS states that it possesses the technical capability and managerial qualifications to operate and manage its telecommunications operations in the State of New Jersey. Petitioner has submitted the professional biographies of its key personnel who, according to ANS, are well qualified to execute its business plans and have extensive managerial and technical experience in the telecommunications industry.

DISCUSSION

On February 8, 1996, the federal Telecommunications Act of 1996, P.L. 104-104, 110 Stat. 56, codified in scattered sections of 47 U.S.C. §151 et. seq., was signed into law, removing barriers to competition by providing that:

[n]o State or local statute or regulation, or other State or local legal requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide any interstate or intrastate telecommunications service.

[47 U.S.C. §253(a)].

Therefore, Board approval of Petitioner's entry into the telecommunications marketplace is required, assuming Petitioner meets all other requirements, including, but not limited to, a demonstration of financial, technical and managerial integrity.

In considering this Petition, the Board recognizes its obligation not to prohibit entry into intrastate telecommunications markets. 47 U.S.C. §253(a). Approval is also in keeping with the New Jersey State Legislature's declaration that it is the policy of the State to provide diversity in the supply of telecommunications services, and its findings that competition will "promote efficiency, reduce regulatory delay and foster productivity and innovation" and "produce a wider selection of services at competitive market-based prices." N.J.S.A. 48:2-21.16(a)(4); N.J.S.A. 48:2-21.16(b)(1) and (3).

Therefore, having reviewed ANS's Petition and the information supplied in support thereof, the Board FINDS that the Petitioner is in compliance with the Board's filing requirements which are necessary to provide telecommunications services in New Jersey. Accordingly, the Board HEREBY AUTHORIZES the Petitioner to provide local exchange telecommunications services throughout New Jersey subject to approval of its tariff. The Board also FINDS that in accordance with N.J.S.A. 48:2-59 and 48:2-60 and N.J.S.A. 52:27E-61 and 52:27E-62, the Petitioner is subject to an annual assessment by both the Board and Division of Ratepayer Advocate, respectively. The Board notes that the Petitioner will not be permitted to provide telecommunications services until a tariff is approved by the Board.

The Board HEREBY ORDERS that:

- 1) Petitioner file its tariff for Board approval.
- 2) Pursuant to N.J.A.C. 14:10-1.3, Petitioner shall maintain a toll-free number for its customer service inquiry.
- 2) Pursuant to N.J.S.A. 48:2-16.3, Petitioner shall file an annual report as of December 31 of each year, which is due on or before March 31 of the following year.
- 3) Pursuant to N.J.S.A. 48:2-59 and 48:2-60, Petitioner shall file a statement of gross intrastate revenues from operations form (AR3-1) as of December 31 of each year, which is due on or before June 1 of the following year.

On or before February 1st of each year, the Petitioner will receive from the Division of Audits an annual report package and a statement of gross intrastate revenues from operations form for the preceding calendar year. The purpose of these documents is to report the company's financial information and gross intrastate revenues from operations as of December 31 of each year. The annual report and a statement of gross intrastate revenues from operations form is due on or before March 31 and June 1 of the following year, respectively. If Petitioner does not receive these documents, it is Petitioner's responsibility to obtain them from the Board. It is also the Petitioner's responsibility to ensure timely filing of these reports.

Regarding the Petitioner's request for waivers of the Board rules, the Board FINDS that the Petitioner has demonstrated good cause why the Board should grant relief from its requirements that the Petitioner maintain its books and records in accordance with USOA and within New Jersey. Therefore, subject to the Petitioner's continuing responsibility to provide the Board books and records upon 48 hours notice, and in the manner requested, and to pay to the Board any reasonable expenses or charges incurred by the Board for any investigation or examination of

these books and records, the Board APPROVES the Petitioner's request for the exemptions from maintaining its books and records in accordance with USOA and in New Jersey.

DATED: 10/10/03

BOARD OF PUBLIC UTILITIES
BY:

(SIGNED)

JEANNE M. FOX
PRESIDENT

(SIGNED)

FREDERICK F. BUTLER
COMMISSIONER

(SIGNED)

CAROL J. MURPHY
COMMISSIONER

(SIGNED)

CONNIE O. HUGHES
COMMISSIONER

(SIGNED)

JACK ALTER
COMMISSIONER

ATTEST:

(SIGNED)

KRISTI IZZO
SECRETARY

IN THE MATTER OF THE PETITION OF AMERICAN NETWORK SERVICES, INC.
FOR AUTHORITY TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS
SERVICES THROUGHOUT THE STATE OF NEW JERSEY

DOCKET NO. TE03060434

SERVICE LIST

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